

EXHIBIT 12-A

MONTANA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

PROJECT MONITORING GUIDE

Montana Department of Commerce

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Updated April 2006

**MONTANA DEPARTMENT OF COMMERCE
CDBG PROGRAM PROJECT MONITORING GUIDE**

Name of Grant Recipient

Contract #

Type of Project

☐
☐
☐

Economic Development

Housing

Public Facilities

Date(s) Monitored

**Monitored
By:**

**Local Project
Manager**

Address

Phone Number:

Persons Interviewed:

Compliance Areas

- A. Management**
- B. Environment**
- C. Procurement**
- D. Financial Management**
- E. Civil Rights**
- F. Labor Standards**
- G. Acquisition**
- H. Relocation**
- I. Public Facility Construction Management**
- J. Individual Housing Rehabilitation File Review**
- K. Economic Development Project Administration**
- L. Project Closeout and Audit Review**

**Check Areas
Reviewed**

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| A. MANAGEMENT | | | |
|---------------------------------|-----------|-----------|--|
| 1. Project Documentation | | | |
| YES | NO | NA | |
| | | | a. Do the CDBG recipient's files contain a copy of the original CDBG application and all relevant supplementary materials? (income or housing condition surveys map of project area, etc.) |
| | | | Comments: |
| | | | b. What was the benefit to low and moderate income (LMI) persons claimed on the application? |
| | | | Comments: |
| | | | c. If based on a local survey, are the original survey responses on file? |
| | | | Comments: |
| | | | d. Does the Grantee's survey data appear verifiable, and is the documentation consistent with the CDBG guidelines, <u>Documenting Benefit to LMI</u> ? |
| | | | Comments: |
| | | | e. Does the survey data match up with the project area? |
| | | | Comments: |
| 2. Project Management | | | |
| YES | NO | NA | |
| | | | a. Does the Grantee's record keeping system contain files for the topics suggested by CDBG? |
| | | | Comments: |
| | | | b. If so, is the system being used effectively? Does the record keeping system appear adequate? |
| | | | Comments: |
| | | | c. Do the CDBG recipient's files contain a copy of the DOC-Grantee contract and all subsequent amendments? |
| | | | Comments : |

| YES | NO | NA | |
|-----|----|----|---|
| | | | <p>d. Does the Grantee have a copy of the approved Project Management Plan and Project Implementation Schedule on file and are they current and up-to-date?</p> <p>Comments:</p> <hr/> |
| | | | <p>e. Are project activities being carried out in the same manner as proposed in the original CDBG application or as subsequently approved by DOC?</p> <p>Comments:</p> |
| | | | <p>f. Does the project manager have a copy of the applicable edition of the Montana CDBG Grant Administration Manual?</p> <p>Comments:</p> |
| | | | <p>g. Based upon the on-site review, does the level of project implementation appear consistent with project progress reports?</p> <p>Comments:</p> |
| | | | <p>h. Based upon the on-site review, does it appear that the project will be completed in conformance with the approved implementation schedule in the grant contract? (If not, please explain how situation will be resolved.)</p> <p>Comments:</p> |
| | | | <p>i. Review the <i>Citizen Participation</i> File for any public comments, inquiries, or complaints regarding the project. Were any problems identified or complaints received?</p> <p>Comments:</p> <p>If "yes," did they receive responses within a reasonable time period (15 days)?</p> <p>Were the problems or complaints resolved promptly and satisfactorily?</p> |

| B. ENVIRONMENT | | | |
|---|----|----|--|
| <p><i>Note:</i> For those situations where an in-depth review is determined to be necessary, a separate review format is on file. CDBG staff may conduct an in-depth review for environmental compliance for Grantees for whom objections to the release of funds have been received or for Grantees found not to be in compliance with environmental regulations based on the review procedures.</p> | | | |
| YES | NO | NA | |
| | | | 1. Does the Grantee maintain a copy of the Environmental Review Record (ERR) in its offices, available for public review? ~ Does the local project file include a copy of the CDBG Environmental Release of Funds (EROF) letter? |
| | | | Comments: |
| | | | 2. Was any documentation pertinent to the ERR not submitted to the State as part of the Request for Release of Funds (e.g., FONSI distribution list, proof of publication)? If yes, list. |
| | | | Comments: |
| | | | 3. Is this documentation (items in #2 above) in the Grantee's file? |
| | | | Comments: |
| | | | 4. Have any environmentally related complaints been received by the Grantee or CDBG as a result of project activities? |
| | | | Comments: |
| | | | 5. Are the project activities being carried out in the same geographic area as proposed in the original CDBG application or as subsequently approved by DOC? Note any potential concerns regarding environmental review procedures. |
| | | | Comments: |
| | | | 6. Does on-site monitoring of the project area reveal the existence of any hazardous sites or other environmental concerns that would question the validity of the Grantee's Environmental Review or that may require mitigating measures during project implementation? |
| | | | Comments: |
| | | | 7. Were there any substantial changes in the circumstances, magnitude or extent of the project that did or would necessitate further environmental review, a revised assessment, or a change in the level of finding of the review? |
| | | | Comments: |

| | | | |
|--|----|----|---|
| YES | NO | NA | 8. If yes to 7: In the event that substantial changes have occurred in the project, is all necessary documentation, such as a revised assessment, change in finding, and new public notices, contained in the Grantee's updated ERR and in the project files? |
| | | | Comments: |
| | | | 9. Does on-site monitoring of the project area reveal the existence of any environmental concerns that may require (or did require) mitigating measures during project implementation? |
| | | | Comments: |
| | | | 10. Does on-site monitoring of the project indicate any noncompliance with state or federal environmental laws or regulations? |
| | | | Comments: |
| C. PROCUREMENT - Non-Construction | | | |
| 1. Monitoring questions for sampled procurement transaction | | | |
| YES | NO | NA | |
| | | | a. Check non-construction contracts entered into. Sample the documentation of at least one non-construction procurement. Did the Grantee's procurement files contain adequate written documentation of the procedures followed for the sampled procurement transaction? Did the procurement comply with current DOC procedures? See CDBG Administration Manual, Chapter 3, <u>Procurement</u> and Exhibit 3-F. |
| | | | Comments: |
| 2. On-site monitoring - general procurement procedures | | | |
| YES | NO | NA | a. Has the Grantee ensured that no conflict of interest, real or apparent, exists with respect to any contract supported by grant funds? |
| | | | Comments: |
| | | | b. Have any apparent conflicts of interest occurred in contractor selection? |
| | | | If yes, describe the situation. |
| | | | c. Has the Grantee established procedures to assure ongoing review of contractor performance and contract expenditures during the term of any CDBG-funded contracts? |
| | | | Comments: |
| 3. <u>Non-Construction Procurement Review Checklist</u> (...Skip this section if this was already reviewed in-office by CDBG staff....) | | | |

NOTE: Photocopy this checklist and complete it for each non-construction contract reviewed, including CDBG-funded professional services contracts such as grant management and architectural, engineering services. This checklist may be used either for in-office or on-site reviews of procurement procedures. ... Did the Grantee place the required appropriate contract language regarding civil rights in bid documents and in all contracts? See Chapter 3, Procurement and Exhibit 3-F.

| | |
|-----------------------------|--|
| a. Name of Firm/Contractor: | |
| b. Purpose of Contract: | |
| c. Date of Contract: | |
| d. Amount: | |

What type of procurement process was used?

- (1) ___ Small Purchase; (2) ___ Competitive Sealed Bid;
 (3) ___ Competitive Proposals, (4) ___ Noncompetitive Negotiation (Sole Source)

| YES | NO | NA | 1) <u>Small Purchase:</u> |
|-----|----|----|--|
| | | | a) Was the small purchase procedure appropriate for the good or service being procured? |
| | | | Comments: |
| | | | b) Was the cost \$100,000 or less? |
| | | | Comments: |
| | | | c) Were price quotes obtained from more than one qualified source? |
| | | | Comments: |
| | | | d) Was adequate documentation of the procurement available? |
| | | | Comments: |
| | | | 2) <u>Competitive Sealed Bid:</u> Competitive sealed bidding is the standard procurement process followed for <u>construction</u> activities involved in CDBG public facility projects – not for non-construction services. See the CDBG Manual, page 3-15 and following. |

| YES | NO | NA | 3) <u>Competitive Proposals:</u> |
|-----|----|----|---|
| | | | a) Were competitive proposals appropriate for the good or service being procured? |
| | | | Comments: |
| | | | b) Were proposals requested from an adequate number of qualified sources (at least two)? |
| | | | Comments: |
| | | | c) Did the Grantee adequately publicize the RFP and honor reasonable requests to submit responses to the RFP? |
| | | | Comments: |
| | | | d) Did the Grantee contact Disadvantaged Business Enterprises (DBE's) for proposals? If not, why? |
| | | | Comments: |
| | | | e) Did the RFP clearly and accurately identify all the major factors that were used to evaluate the responses and their relative weight in the selection? |
| | | | Comments: |
| | | | f) Were all the responses evaluated according to the written criteria established in advance? |
| | | | Comments: |
| | | | g) Did the grant recipient have a method for conducting technical valuations of the proposals received and for selecting the awardee? |
| | | | Comments: |
| | | | h) Did the grant recipient check references for the awardee? |
| | | | Comments: |
| | | | 4) <u>Noncompetitive Negotiation (Sole Source)</u> |
| | | | Did DOC authorize sole source procurement as required? Date:_____ |

| YES | NO | NA | (4, continued): Did at least one of the following apply? |
|---|----|----|--|
| | | | a) After solicitation from a number of sources, competition was determined to be inadequate? |
| | | | Comments: |
| | | | b) The items or services required were available only from one source? |
| | | | Comments: |
| | | | c) A public emergency existed such that the urgency would not permit a delay to use one of the other methods of procurement? |
| | | | Comments: |
| 4. QUESTIONS CONCERNING PROCUREMENT TRANSACTIONS | | | |
| | | | a. Was the procurement transaction conducted in a manner that provided maximum open and free competition (so that the procedures and description of technical requirements did not restrict or eliminate competition)? |
| | | | Comments: |
| | | | b. Were the methods used to advertise or solicit competition appropriate? |
| | | | Comments: |
| | | | c. Did the Grantee take affirmative steps to assure that small and minority businesses and women's business enterprises were solicited as a potential source of supplies, equipment, construction, or services? If so, please describe. If not, why not? |
| | | | Comments: |
| | | | d. Did the Grantee submit the contract for DOC/CDBG's review, prior to entering into the contract? |
| | | | Comments: |
| | | | Date of review: |
| | | | Reviewed by: |
| YES | NO | NA | e. Does the contract contain the clauses required by DOC? (Use <i>Exhibit 3-F "Sample Format for a Professional Services Contract, in the CDBG Grant Administration Manual, for examples of the CDBG-</i> |

| | | | | |
|--------------------------------|-----------|-----------|--|--|
| | | | required clauses for professional services agreements.) | |
| | | | Comments: | |
| | | | f. If the contract was not reviewed previously by Montana CDBG staff, complete the checklist shown in CDBG Administration Manual. | |
| | | | g. Did the CDBG grant recipient contact Montana CDBG prior to entering into contracts, to determine whether the contractors and subcontractors selected were listed by the federal government as "debarred contractors"? | |
| | | | Comments: | |
| | | | Date debarment checks were performed: | |
| | | | h. Was a cost reimbursable and specified "not to exceed" compensation used? <i>NOTE: Cost plus a percentage of cost and percentage of construction cost <u>are prohibited</u>.</i> | |
| D. FINANCIAL MANAGEMENT | | | | |
| 1. General Issues | | | | |
| YES | NO | NA | | |
| | | | a. Did the Grantee need (and receive) assistance from the Department of Commerce or the Department of Administration (DOA) in establishing a financial management and record keeping system to account for all CDBG money in accord with Chapter 4 of the CDBG manual? | |
| | | | Comments: | |
| | | | Date of visit(s): | |
| YES | NO | NA | b. Did the DOC or DOA identify any concerns regarding the Grantee's financial management system? | |
| | | | Comments: | |
| | | | If "yes," describe: | |
| | | | c. Have these concerns been satisfactorily addressed by the Grantee? | |
| | | | Comments: | |
| YES | NO | NA | d. Has any entity-wide audit or CDBG/MDOC monitoring been conducted to date during the term of the CDBG project? | |

| | | | | | | | | | |
|---------------------------|------------|--------------|--|-------------|------------|--------------|---------------------------|--|--|
| | | | Comments: If yes, date of <u>monitoring</u> or date of audit: What firm or agency conducted the audit | | | | | | |
| | | | e. If so, are any findings in that audit or CDBG monitoring pertinent to the financial management of CDBG funds? Comments: | | | | | | |
| | | | f. If yes, has the Grantee satisfactorily resolved all findings noted in CDBG monitoring letters or any previous audits conducted during the term of the project? Comments: | | | | | | |
| | | | g. Is the grant within the direct control of the city, town, or county, and included in their financial statements? Comments: | | | | | | |
| | | | h. What financial system does the Grantee use? <table border="1" style="width: 100%;"> <tr> <td style="width: 33%; text-align: center;">BARS</td> <td style="width: 33%; text-align: center;">TAS</td> <td style="width: 33%; text-align: center;">Other</td> </tr> <tr> <td colspan="3">If Other, describe</td> </tr> </table> | BARS | TAS | Other | If Other, describe | | |
| BARS | TAS | Other | | | | | | | |
| If Other, describe | | | | | | | | | |
| | | | i. Has the Grantee officially adopted a budget for expenditure of the CDBG grant by resolution and in accordance with the CDBG contract? ~ Were all changes in budget expenditures and project activities approved by DOC in advance? Comments: | | | | | | |
| | | | j. Are the budget line items within the local accounting records recorded by the Grantee consistent with the budget line items in the CDBG contract? Comments: | | | | | | |
| | | | k. Has the Grantee established a separate special revenue fund for CDBG grants (unless the grant was a contribution to the enterprise fund)? Comments: | | | | | | |
| YES | NO | NA | l. Has the Grantee developed adequate procedures to assure expenditure of all CDBG funds in excess of \$5,000 within 3 days of receipt, as required by HUD and CDBG? | | | | | | |

| | | | |
|-----|----|----|---|
| | | | Comments: |
| | | | m. Are CDBG grant funds drawn down and CDBG Program Income <i>received for</i> in the same manner as other Grantee revenue, or are there special procedures? If so, please describe. (<i>Program Income</i> : defined in the CDBG Manual, Chapter 4, Exhibit 4-H.) |
| | | | Comments: |
| | | | n. Are CDBG funds deposited into: |
| | | | 1. the Grantee's central bank account? |
| | | | Comments: |
| | | | 2. a separate bank account for CDBG funds? |
| | | | Comments: |
| | | | o. Is the account interest bearing? |
| | | | Comments: |
| | | | p. Are CDBG expenditures <i>processed</i> in the same manner as other Grantee expenditures? |
| | | | Comments: |
| | | | q. Does someone compare expenditures against budgeted line items in order to control overspending on the authorized budget? |
| | | | Comments: |
| | | | r. Which individuals validate/authorize claims for payment for the Grantee? |
| | | | Insert Names/Titles: |
| | | | s. Which individuals prepare warrants for the Grantee? |
| | | | Insert Names/Titles: |
| | | | t. Is there sufficient separation of duties to ensure adequate internal control? |
| | | | Comments: |
| YES | NO | NA | u. Are the public officials and employees involved in managing CDBG funds bonded as required by Montana law (2-9-701 and 2-9-801, MCA)? (Under A-87, any losses due to failure to bond local officials and employees are ineligible CDBG expenses.) |

| | | | |
|--|-----------|-----------|---|
| | | | Comments: |
| 2. <u>Expenditure Review</u> | | | |
| a. Total amount of funds drawn to date <u>per CDBG records</u> : ... through CDBG Draw #: _____ Total amount of funds expended <u>per Grantee's records</u> : Balance remaining (<u>per CDBG records</u>): Amount of cash on hand, if applicable: | | | |
| b. Do Montana CDBG's financial records and the CDBG recipient's records for the amount of CDBG funds drawn down and received agree? _____ Comments: | | | |
| c. <u>Date of CDBG authorization to incur administrative costs:</u> (These are "environmentally-exempt" administrative costs – i.e., those not requiring a CDBG environmental release of funds. CDBG Manual, Chapter 1, page 26) | | | |
| <u>Date of CDBG environmental release of funds letter:</u> | | | |
| Note: Using the <u>Project Expenditure Sampling Forms</u> at the end of Section F of this monitoring guide, sample a reasonable number of expenditures from both Administrative and Activity budget categories. For administration, in particular, review payroll timesheets, telephone bills, and travel expenses to assure reasonable relationship to CDBG activities. | | | |
| For the expenditures sampled: | | | |
| YES | NO | NA | d. Were any ineligible expenditures charged against the grant for the period prior to the authorization to incur administrative costs? |
| | | | Comments: |
| | | | e. Were any ineligible expenditures charged against the grant for the period between the authorization to incur administrative costs and the release of funds? |
| | | | Comments: |
| | | | f. Were any ineligible expenditures charged against the grant during the period following DOC's release of funds? |
| | | | Comments: |
| YES | NO | NA | g. Does a review of the following project expenditures verify that they are necessary and reasonable for administration of the CDBG project and that they are eligible pursuant to OMB Circular A-87? Comments: |

| | | | |
|-----|----|----|--|
| | | | 1. Administrative service contracts (e.g., legal, accounting, audit, consulting) |
| | | | Comments: |
| | | | 2. Salaries and related costs; |
| | | | Comments: |
| | | | 3. Travel and training expenditures; |
| | | | Comments: |
| | | | 4. Communications (e.g. telephone, postage); |
| | | | Comments: |
| | | | 5. Other administrative costs (supplies, printing, equipment)? |
| | | | Comments: |
| | | | h. Were all sampled claims reviewed and approved by authorized individuals (Department Head, Council, etc.)? |
| | | | Comments: |
| | | | i. Were sampled expenditures supported by adequate source documentation (invoices, contracts, purchase orders, etc.)? |
| | | | j. Were sampled expenditures in accordance with the CDBG budget line items? |
| | | | Comments: |
| | | | k. Were any of the following ineligible expenditures noted: |
| | | | 1) Interest and other financing costs? |
| | | | Comments: |
| | | | 2) Contributions and donations? |
| | | | Comments: |
| | | | 3) Bad debts? |
| | | | Comments: |
| YES | NO | NA | 4) Contingencies? [**Unallowable contingencies are contributions to a contingency reserve held long-term for unforeseen events.] |
| | | | Comments: |
| | | | 5) Entertainment? |

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|------------|-----------|-----------|---|
| | | | Comments: |
| | | | 6) Fines and penalties? |
| | | | Comments: |
| | | | 7) Legislative expenditures? |
| | | | Comments: |
| | | | l. Were all the expenditures sampled eligible and appropriate uses of CDBG funds? |
| | | | Comments: |
| | | | m. Were all sampled expenditures adequately documented? If "no," describe. |
| | | | Comments: |
| | | | n. Based upon review of receipt and disbursements of CDBG funds, were there any instances of violation of the HUD \$5,000/3-day policy? |
| | | | Date(s): |
| | | | Comments: |
| | | | o. If "yes" to "n" -- can the Grantee justify each instance of violation of the HUD \$5,000/3-day policy? |
| | | | Describe circumstances: |
| | | | Comments: |
| | | | p. Were the salaries and wages charged against the grant, if any, supported by adequate payroll records (timesheets)? |
| | | | Comments: |
| | | | q. Are costs being prorated on a reasonable basis for local staff (if any) that are working partially on CDBG project activities? |
| YES | NO | NA | r. If work is performed by city or county staff, are there adequate records to document the use of public employees? |
| | | | Comments: |
| | | | s. Does a review of the payroll forms reveal any instances of personnel being paid from, but not working on, program activities? |
| | | | Comments: |

| 3. Property Management | | | |
|------------------------|----|----|---|
| YES | NO | NA | a. Does the Grantee maintain property records documenting the acquisition of all property purchased with CDBG funds? |
| | | | Comments: |
| | | | b. Was the property acquired in compliance with HUD procurement regulations? |
| | | | Comments: |
| | | | c. Do these items appear on the Grantee's property records? |
| | | | Description: Cost: \$ |
| 4. Program Income | | | |
| YES | NO | NA | a. Has any <i>Program Income</i> been generated through CDBG project activities? (<i>Program Income</i> -- as defined in the CDBG Manual, Chapter 4, Exhibit 4-H.) |
| | | | Source(s): |
| | | | Amount To date: |
| | | | b. Has the Grantee established policies and procedures for the use of Program Income? |
| | | | Comments: |
| | | | c. Has the Grantee expended Program Income (other than Program Income deposited in an approved revolving fund) in payment of program costs prior to making further cash draws from the DOC? |
| | | | Comments: |
| | | | d. Has the Grantee established revenue accounts to account for all Program Income receipts and disbursements? |
| | | | e. If a Program Income Fund has been established, were the procedures for receipt and disbursement of CDBG funds reviewed by DOC? |

Project Expenditure Sampling Form:

REVIEW OF DRAWS AND CLAIMS FOR ADMINISTRATIVE ACTIVITIES

| Claim No. | Date | Vendor/Source No. | Amount | Warrant No. | Approved By | Comments |
|------------------|-------------|--------------------------|---------------|--------------------|--------------------|-----------------|
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Project Expenditure Sampling Form:

REVIEW OF DRAWS AND CLAIMS FOR PROJECT (NON-ADMINISTRATIVE) ACTIVITIES

| Claim No. | Date | Vendor/Source No. | Amount | Warrant No. | Approved By | Comments |
|------------------|-------------|--------------------------|---------------|--------------------|--------------------|-----------------|
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| E. CIVIL RIGHTS | | | |
|---|-----------|-----------|---|
| 1. Montana Human Rights Commission | | | |
| YES | NO | NA | |
| | | | a. Did the Montana Human Rights Commission notify MDOC/CDBG of any prior allegations of discrimination against the Grantee? |
| | | | Comments: |
| | | | b. Were there any complaints of discrimination associated with CDBG-funded activities, for which affirmative action was required to overcome the effects? |
| | | | If yes, describe situation: |
| 2. Recipient Employment | | | |
| YES | NO | NA | |
| | | | a. Does the Grantee have an adopted nondiscrimination (Equal Employment Opportunity) policy? (Exhibit 5-A) |
| | | | Comments: |
| | | | Date adopted: |
| | | | b. Has the Grantee made its Equal Employment Opportunity (EEO) policy clearly known to all staff involved in hiring, promotion, and salary decisions? |
| | | | Comments: |
| | | | c. Does the Grantee display Equal Employment Opportunity (EEO) posters in conspicuous places? (Exhibit 5-M, CDBG Admin. Manual) |
| | | | Comments: |
| | | | Location(s) posted: |
| | | | d. Has an individual been designated to oversee civil rights compliance for the local government, (not just for this project)? |
| | | | Comments: |
| | | | If "yes," whom? |

| | | | |
|-----|----|----|---|
| YES | NO | NA | e. Has the Grantee hired any staff for work on CDBG-funded activities? |
| | | | Comments: If YES, list name(s) and position(s): |
| | | | f. Were EEO guidelines followed in hiring? (Exhibits 5-H, I, and J, CDBG Admin. Manual) |
| | | | Comments: Describe: |
| | | | g. Did job announcements include a statement that "(Name of Grantee) is an equal opportunity employer"? |
| | | | Comments: |
| | | | h. Did the Grantee notify target agencies for EEO employment recruitment? (Exhibit 5-G) |
| | | | Comments: |
| | | | i. Were positions advertised in any minority newspapers published in the area? |
| | | | Comments: j. Did the Grantee publish Exhibit 5-B (sample <i>Section 3 Public Notice: Economic Opportunities for Low-Income and Very Low-Income Persons</i>) or its equivalent? |
| | | | Comments: |
| | | | k. Has the Grantee been acting in compliance with the (December, 2002) EEOC Compliance Manual Section on the Prohibition of National Origin Discrimination (See Chapter 5 CDBG Manual, page 5-12)? |
| | | | Comments: |
| | | | l. Do the Grantee's records include a summary of the number of applicants for each position, the number that are minorities, women and handicapped persons, and the reasons for the hiring decisions? |
| | | | Comments: |

| | | | |
|----------------------------|----|----|--|
| YES | NO | NA | m. Number of CDBG-funded staff persons (previous plus new hires) employed by the Grantee: <div style="display: flex; justify-content: flex-end; margin-top: 10px;"> <div style="border: 1px solid black; width: 150px; height: 20px; margin-right: 10px;"></div> </div> <div style="display: flex; justify-content: flex-end; margin-top: 10px;"> <div style="border: 1px solid black; width: 150px; height: 20px; margin-right: 10px;"></div> </div> <div style="display: flex; justify-content: flex-end; margin-top: 10px;"> <div style="border: 1px solid black; width: 150px; height: 20px;"></div> </div> |
| | | | n. Based on data, does minority representation appear reasonable? <div style="border: 1px solid black; height: 20px; margin-top: 5px;"></div> |
| 2. Project Benefits | | | |
| YES | NO | NA | a. Does the Grantee follow policies and procedures to ensure nondiscrimination in the provision of grants, loans, or other CDBG assistance to beneficiaries? <div style="border: 1px solid black; height: 20px; margin-top: 5px;"></div> |
| | | | b. What is the minority population percentage in the project area? <div style="border: 1px solid black; height: 20px; margin-top: 5px;"></div> |
| | | | c. Is this based on: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> Census Data --OR-- Local Survey </div> |
| | | | d. Does the Grantee keep direct benefit data? <i>See Exhibit 5-E.</i> ATTACH EXHIBIT 5-E OR EQUIVALENT HERE for projects involving rehabilitation, acquisition, relocation, economic development hiring, public facilities targeting, or other direct benefits. <div style="border: 1px solid black; height: 20px; margin-top: 5px;"></div> |
| | | | e. Based on available data, does there appear to be any deficiency in providing benefits to any group? <div style="border: 1px solid black; height: 20px; margin-top: 5px;"></div> <div style="border: 1px solid black; height: 20px; margin-top: 5px;"></div> |

| 3. Fair Housing | | | |
|-----------------------|----|----|--|
| YES | NO | NA | <p>a. Describe Grantee efforts to affirmatively further fair housing: For example:</p> <p>1. Does the Grantee have a fair housing resolution? (Exhibit 5-N)</p> <p>Comments:</p> <p>Date adopted:</p> |
| | | | <p>2. Does the Grantee display fair housing posters (Exhibit 5-0 or equivalent)? Does the Grantee use the "Equal Housing Opportunity" statement and symbol on its local government/agency letterhead?</p> <p>Comments:</p> |
| | | | <p>3. What actions were taken by the Grantee to affirmatively further fair housing ? (See CDBG Manual, page 5-10 and following).</p> <p>Comments:</p> |
| 4. Political Activity | | | |
| YES | NO | NA | <p>a. Does the Grantee have an adopted policy regarding compliance with the federal Hatch Act?</p> <p>Comments:</p> <p>Date adopted:</p> <p><i>Note: The Hatch Act restricts the political activities of individuals principally employed by a local government in connection with a program financed in whole or in part with federal funds. (For sample policy, see Exhibit 5-Q, CDBG Administration Manual)</i></p> |
| | | | <p>b. Has an individual been designated to oversee Hatch Act compliance?</p> <p>Comments:</p> <p>If "yes," whom?</p> |
| | | | <p>c. Have the Grantee's employees been furnished with appropriate information regarding restrictions on political activity? (For example, posting its Hatch Act policy.)</p> <p>Comments:</p> |

| 5. American Disabilities Act and Section 504 Requirements | | | |
|---|----|----|---|
| YES | NO | NA | 1. Has the Grantee prepared an <u>Analysis of Impediments for Handicapped Accessibility</u> in accordance with the requirements of the American Disabilities Act (ADA) and Section 504 in the following ways: |
| | | | Comments: |
| | | | a. Did the Grantee conduct a Self-evaluation Inventory of facilities and programs to determine the extent of local compliance with ADA requirements? |
| | | | Comments: |
| | | | b. How has the Grantee addressed each of the following areas of ADA compliance: (describe) |
| | | | 1) Communications? |
| | | | 2) Public Meetings? |
| | | | 3) Employment Opportunities? |
| | | | 4) Program Benefits? |
| | | | 5) Physically Accessible Housing? |
| | | | Comments: |
| | | | c. Did the Grantee develop an ADA Transition Plan to outline steps to correct any deficiencies identified by the Self-evaluation Inventory? |
| | | | Comments: |
| | | | |
| F. LABOR REQUIREMENTS | | | |
| 1. Davis-Bacon Prevailing Wages | | | |
| YES | NO | NA | a. Do the construction contract (s) contain a copy of the correct Davis-Bacon prevailing wage decision for the project? |
| | | | Comments: Wage Decision Date(s): |
| | | | b. Are the appropriate wage decisions in use? |
| | | | Comments: |

| 2. Payroll Review | | | |
|-------------------|----|----|--|
| YES | NO | NA | |
| | | | a. Is Form WH347 (Exhibit 6-I), U.S. DOL Payroll Form or its equivalent being used by the Contractor and sub-contractors? Comments: |
| | | | b. Are payrolls submitted weekly? Comments: |
| | | | c. Is there evidence of weekly payroll review by the grantee's representative? Is there evidence that all weekly payrolls have been compared to the applicable Davis-Bacon wage rates? ~ Are payrolls reviewed clearly initialed by reviewer, annotated as needed, and dated to indicate completion of a weekly review? (CDBG Manual, page 6-14) Comments: Type of evidence (e.g., initialed and dated by reviewer, notes, calculations, etc.) |
| | | | d. Are the weekly payrolls numbered sequentially? Comments: |
| | | | e. Are payrolls signed by the employer or an authorized representative? Comments: |
| | | | f. If applicable, are <i>apprentice/trainee</i> records on file? Comments: |
| | | | g. Has overtime been paid? ... At correct rates? Note: Zone pay increases a construction worker's <u>hourly rate</u>. Fringe benefits can be paid in cash or to a fund. When a construction worker receives zone pay, overtime is calculated this way: [hourly rate plus zone pay multiplied by 1.5] plus fringe. Comments: |
| | | | h. Was the appropriate Davis-Bacon prevailing wage rate determination posted at the job site and reasonably accessible to employees for their review? Comments: |
| | | | i. Were the proper <u>zone hourly rates</u> used to determine the adjusted base hourly pay at work locations where the work site's distance from the county seat exceeds the specified distances listed in the applicable Davis-Bacon wage rate determination)? Comments: |

EMPLOYEE INTERVIEWS CONDUCTED BY LOCAL PROJECT REPRESENTATIVES

| | | | |
|------------|-----------|-----------|--|
| YES | NO | NA | 1. Is there adequate documentation of employee interviews? Are completed, signed copies of CDBG interview forms on file (HUD Form 11, Exhibit 6-K)? |
| | | | 2. For employee interviews conducted, is there evidence that that employees wage rates were compared to Davis-Bacon wage rates applicable to the project? |
| | | | Comments: |

EMPLOYEE INTERVIEW SAMPLE A

| | | | |
|-------------------------------------|-----------|-------------|-------------------------|
| Name of individual interviewed: | | | |
| Contractor: | | | |
| Job Classification: (if applicable) | | | |
| Group: | | Zone: _____ | Zone hourly rate: _____ |
| Actual Wage: (+ Fringe) | | | |
| Required Wage: (+ Fringe) | | | |
| YES | NO | NA | |
| | | | Was the wage correct? |
| | | | Comment: |

EMPLOYEE INTERVIEW SAMPLE B

| | | | |
|-------------------------------------|-----------|-------------|-------------------------|
| Name of individual interviewed: | | | |
| Contractor: | | | |
| Job Classification: (if applicable) | | | |
| Group: | | Zone: _____ | Zone hourly rate: _____ |
| Actual Wage: (+ Fringe) \$ | | | |
| Required Wage: (+ Fringe) \$ | | | |
| YES | NO | NA | |
| | | | Was the wage correct? |
| | | | Comment: |

| <u>EMPLOYEE INTERVIEW SAMPLE C</u> | | | |
|---|-----------|-------------|--|
| Name of individual interviewed: | | | |
| Contractor: | | | |
| Job Classification: (if applicable) | | | |
| Group: | | Zone: _____ | Zone hourly rate: _____ |
| Actual Wage: (+ Fringe) \$ | | | |
| Required Wage: (+ Fringe) \$ | | | |
| YES | NO | NA | |
| | | | Was the wage correct? |
| | | | Comment: |
| | | | |
| | | | 2. Were all required labor interviews sufficiently documented? |
| | | | Comment: |
| | | | 3. Was a representative number of trades covered? |
| | | | Comment: |
| | | | 4. Are interviews compared against payrolls? |
| | | | Comment: |
| | | | 5. Are there instances of incorrect wage payments or labor standards violations? |
| | | | Comment: |
| | | | If "yes," describe: |
| | | | 6. Were investigations of noted violations conducted in a timely manner? |
| | | | Comment: |
| | | | If not, describe: |
| | | | 7. Has restitution been made to the affected workers? |
| | | | Comment: |
| YES | NO | NA | 8. Were records and documentation sufficient to support the findings and the resolution of violations? |

| | | | | | | |
|---|------------------|-------------|--|-----------|--|--|
| | | | Comment: | | | |
| | | | 9. If labor requirements deficiencies have occurred, have follow-up procedures been agreed on to correct or improve performance? | | | |
| | | | Comment: | | | |
| | | | 10. Were the required labor standards posters posted at the job site: | | | |
| | | | a. Exhibit 6-F-U.S. Department of Labor Notice to Employees? | | | |
| | | | Comment: | | | |
| | | | b. Appropriate U.S. Department of Labor Davis-Bacon Wage Rates? | | | |
| | | | Comment: | | | |
| | | | c. Exhibit 6-G, DOC Equal Employment Opportunity Poster? | | | |
| | | | Comment: | | | |
| | | | | | | |
| G. ACQUISITION (If Applicable) | | | | | | |
| Total number of acquisitions proposed: | | | | | | |
| Number of acquisitions made to date: | | | | | | |
| General Information re Acquisitions: (Complete For Each Acquisition Sampled) | | | | | | |
| 1. Name of property owner: | | | | | | |
| 2. Telephone Number: | | | | | | |
| 3. Address of acquired property: | | | | | | |
| 4. Property Use: | Single Fam. Res. | Agriculture | Business | Nonprofit | | |
| easement for water line | | | | | | |
| | | | YES | NO | | |
| 5. Occupants? | | | | | | |
| 6. Tenants? | | | | | | |
| NOTE: Persons or businesses displaced by acquisition are entitled to relocation assistance (see Chapter 7 of the CDBG Manual). Complete section H (Relocation) of this Monitoring Guide to document payments to owners or tenants, or relocation assistance waiver from owner only. | | | | | | |
| Complete Only For <u>VOLUNTARY</u> Acquisition (<u>Not Governed By the Uniform Relocation Act</u>) | | | | | | |

| | | | | | |
|---|-----------|-----------|---|----------------|---------------|
| 1. Does the Grantee's file include the following documentation: | | | | | |
| YES | NO | NA | DOCUMENTATION IN FILE | DATE: | Amount |
| | | | Public Invitation for Acquisition of Real Property (Exhibit 7-A) | Meeting | |
| | | | Voluntary Agreement Between Grantee and Individual Seller (Exhibit 7-B) | | |
| | | | Appraisal | | |
| | | | Contract signed/Proof of payment | | |
| | | | Recording of property deed | | |
| | | | Record of settlement costs | | |
| | | | Filing of complaint or appeal (if applicable) | | |
| | | | Resolution of complaint or appeal (if applicable) | | |
| | | | Acknowledgment by Grantee that acquisition was voluntary, exempt from procedures required under the Uniform Act, Title III, and that dislocation of tenants must be done pursuant to Title II | | |
| H. RELOCATION (If Applicable) | | | | | |
| Number of relocations: | | | Proposed | To Date | |
| Owner | | | | | |
| Tenant | | | | | |
| Business | | | | | |
| Total: | | | | | |
| 5. Method of relocation: governed by Uniform Act []; OR optional relocation: [] | | | | | |
| 6. Attach Exhibit 5-E, Direct Benefits Summary Form, showing civil rights-related information for all relocatees. | | | | | |
| YES | NO | | | | |

| | | | | | |
|--|-----------|--|--------|--|----------|
| | | 7. Were any complaints or appeals filed? | | | |
| | | If yes, describe the issues and how they were resolved. | | | |
| | | 8. Approximately 60 days after the relocation payment has been made and the relocation has taken place, does the Grantee follow-up to determine whether the replacement housing is satisfactory? | | | |
| COMPLETE FOR RELOCATIONS <u>GOVERNED BY UNIFORM ACT</u> | | | | | |
| 1. Select several individual cases for review, complete the checklist on the following pages for each, and attach. | | | | | |
| YES | NO | Complete For Optional Relocations | | | |
| | | 1. Did optional relocation project receive prior approval from DOC? | | | |
| | | 2. Date of adoption of local policy governing optional relocation | | | |
| | | 3. Date of DOC approval of local policy | | | |
| | | 4. Generally describe project and system for providing benefits to affected individuals: | | | |
| | | Comments: | | | |
| | | 5. Select several individual cases for review, complete the attached form for each, and attach. | | | |
| | | Comments: | | | |
| RESIDENTIAL OR BUSINESS RELOCATION GOVERNED BY THE UNIFORM ACT | | | | | |
| Name | | | | | |
| Former Address | | | | | |
| New Address | | | | | |
| Project Name | | | | | |
| Acquisition No. | | | | | |
| Relocation No. | | | | | |
| Owner | | | Tenant | | Business |
| | | | | | |

| Dates | Applies to Residential (R) or Business (B) | |
|---|---|--|
| | R & B | DOC Authorization to incur cost |
| | R & B | When 1st occupied old unit |
| | R & B | Initiation of Negotiations to Acquire Property |
| | R & B | Property Acquired |
| | R & B | *General Information Notice (8-A) |
| | R & B | *Notice of Relocation Eligibility (8-B) |
| | R & B | Moved to replacement dwelling or business |
| | R | * Confidential Family Survey Guide (8-C) X |
| | R | * Identified comparable replacement dwelling |
| | R & B | * 90-Day Notice delivered (8-D) |
| | R & B | * 30-Day Notice delivered (8-E if applicable) |
| | R | * Housing Inspection Form (8-F) |
| | R | * Letter to Relocatee in Substandard Unit (if applicable) (8-G) |
| | R | * Applicable claim form (8-H, 8-I, 8-J, or 8-K) |
| | R | * Applicable claim form (8-L or 8-M) |
| | R & B | * Letter of Acknowledgment for Services and Payments Rendered (8-N) |
| | R & B | Follow-up contact |
| NOTE: All items preceded by an asterisk (*) require documentation in the Relocation file. | | |
| FOR RESIDENTIAL RELOCATIONS | | |
| Monthly Housing Costs for : Acquired Dwelling [] Replacement [] | | |

| TYPE OF PAYMENT Moving Expenses | (*) AMOUNT CLAIMED | (*) APPROVED | (*) DATE PAID |
|------------------------------------|-----------------------|--------------|---------------|
| Actual | | | |
| Fixed | | | |
| Replacement Housing Payment | | | |
| Homeowner (180-day) | | | |
| Rental Assistance (90-day) | | | |
| Down Payment (90-day) | | | |

HOUSEHOLD CHARACTERISTICS: (Use the revised ethnic and racial categories required by HUD See Chapter 5, CDBG Manual and Exhibit 5-E.)

6. Household Characteristics: (The new HUD/OMB data collection requirements that were announced December, 2002 were incorporated into CDBG Manual's revised Exhibit 5-E, Direct Benefits Data, and also into CDBG Project Monitoring Guide.)

a. **Family size:** _____

b. **Ethnicity:** (select only one)

☐ Hispanic or Latino

☐ Not Hispanic or Latino

c. **Race:** (select one or more)

1. White

2. Black or African American

3. Asian

4. American Indian or Alaskan Native

5. Native Hawaiian or Other Pacific Islander

6. American Indian or Alaskan Native *and* White

7. Asian *and* White

8. Black or African American *and* White

9. American Indian or Alaskan Native *and* Black or African American

10. Other Multi-racial (balance of individuals reporting more than one race)

d. **Other:**

☐ Female head of household

☐ Elderly (over 62)

☐ Handicapped (nature of handicap): _____

e. **Income Data:**

Gross annual income of household: \$ _____

FOR BUSINESS RELOCATIONS

NOTE: All items preceded by an asterisk (*) require documentation in the

| | | | | | | | |
|---|--|-----------------------|--|--------------|----|---------------|--------|
| relocation file. | | | | | | | |
| TYPE OF PAYMENT Moving Expenses | | (*) AMOUNT CLAIMED | | (*) APPROVED | | (*) DATE PAID | |
| Actual | | | | | | | |
| Fixed | | | | | | | |
| | | | | | | | |
| OPTIONAL RELOCATION CASE REVIEW | | | | | | | |
| Owner <input type="checkbox"/> Tenant <input type="checkbox"/> | | | | YES | NO | DATE | AMOUNT |
| Name: | | | | | | | |
| Address: | | | | | | | |
| Date of verification of property ownership | | | | | | | |
| Did owner apply for rehabilitation funds? | | | | | | | |
| Date property was identified as unsuitable for rehab | | | | | | | |
| Reasons | | | | | | | |
| Was photo documentation of condition retained? | | | | | | | |
| Monthly housing cost, including mortgage, taxes and insurance, or rent, plus utilities | | | | | | | |
| Was property acquired by Grantee: | | | | | | | |
| Date of temporary relocation of residents | | | | | | | |
| Date of SHPO clearance of demolition | | | | | | | |
| Date of demolition of structure: | | | | | | | |
| Date household moved into replacement dwellings | | | | | | | |
| Address, if different from above | | | | | | | |
| Did Grantee certify replacement dwelling as suitable | | | | | | | |
| Describe replacement dwelling. | | | | | | | |
| Monthly cost of replacement housing, including mortgage, taxes and insurance, or rent, plus | | | | | | | |

| | | | | |
|---|-----|----|--|--|
| utilities: | | | | |
| Amount of payment for replacement housing: | | | | |
| Amount of temporary relocation or other expenses paid: | | | | |
| Is proof of receipt of payment in file? | YES | NO | | |
| Describe method of securing the improvements to prevent sale or moving of replacement dwelling: | | | | |

| | | | |
|---|-----------|-----------|---|
| I. PUBLIC FACILITY CONSTRUCTION MANAGEMENT | | | |
| 1. Construction Contract Procurement Process ... For construction contracts not already reviewed by DOC, use Exhibit 9-C, "Checklist of Required Clause for CDBG Construction Contracts" in the CDBG Administration Manual. | | | |
| a. Project location (County and nearest town): | | | |
| b. Description of work: <div style="background-color: #f0f0f0; height: 150px; margin-top: 5px;"></div> | | | |
| c. Names of newspapers used for bid advertising and dates of publication (or attach copies) <div style="background-color: #f0f0f0; height: 150px; margin-top: 5px;"></div> | | | |
| d. Bid opening date: | | | |
| YES | NO | NA | |
| | | | e. Were competitive bids obtained through formal advertising for all |

| | | |
|--|--|---|
| | | <p>publicly contracted construction in compliance with 7-5-2301 and 7-5-4302, MCA ? <i>(Required by Montana law for all contracts in excess of \$20,000 for the purchase of vehicles, machinery, appliances, equipment or materials of any kind, or \$25,000 for construction, repair, or maintenance, in the aggregate.)</i></p> <p>f. Did the Grantee assure contractor affirmative action responsibilities concerning contracting with Disadvantaged Business Enterprises (see Chapter 5, page 5-16 and following)?.</p> |
| | | <p>Comments:</p> |
| <p>g. <u>List of Bidders (or attach copy of bid tabulation)</u></p> | | <p><u>Bid Amount:</u></p> |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| <p>h. Were only <i>registered contractors</i>' bids reviewed?</p> | | <p>Yes [] No []</p> |
| <p>i. Date contract was awarded:</p> | | |
| <p>j. Name of Contractor(s):</p> | | |
| <p>k. Date of Pre-construction Conference:</p> | | |

| YES | NO | NA | |
|---------------------------------|----|----|---|
| | | | <p>l. Is a copy of the conference minutes on file?</p> <p>m. Did the Grantee complete Exhibit 5-J, <i>Contract Reporting Form</i>, at the time that this contract was awarded? (Was 5-J completed for all contracts and subcontracts, including contractors and subcontractors that are not minority owned, exceeding \$10,000?)</p> |
| | | | Comments: |
| | | | n. Date of Contractor's Notice to Proceed: |
| 2. Bonding and Insurance | | | |
| | | | <p>a. Is the prime contractor registered as required by 37-71-201, MCA?</p> |
| | | | Comments: |
| | | | <p>b. For construction contracts over \$100,000, did the contractor(s) meet the requirements for:</p> <p>1) Bid bond equal to 10% of bid price?</p> |
| | | | Comments: |
| | | | <p>2) Performance bond equal to 100% of contract price?</p> |
| | | | Comments: |
| | | | <p>3) Payment bond equal to 100% of contract price?</p> |
| | | | Comments: |
| 3. Contract Documents | | | |
| | | | <p>1. Was the contract bid document reviewed by DOC/CDBG to verify that all proposed construction work was appropriate and eligible for CDBG funding?</p> |
| | | | <p>Date of Review:</p> <p>Reviewed By:</p> <p>Comments:</p> |
| | | | <p>2. Was firm fixed-price or lump sum compensation used?</p> |
| | | | Comments: |

| | | | |
|--|--|--|--|
| 4. Change Orders | | | |
| | | | a. Have any change orders been issued for the project? |
| | | | Comments: |
| | | | b. If yes, sample and describe representative change orders: |
| | | | Comments: |
| <u>CHANGE ORDER SAMPLE NUMBER ONE</u> | | | |
| a) Date: | | | |
| b) Amount: | | | |
| c) Purpose: | | | |
| d) Contractor: | | | |
| e) Who approved the change order? | | | |
| f) Does it appear that the cost and purpose of the change order were reasonable? | | | |
| | | | |
| g) How was the change order funded? | | | |
| <u>CHANGE ORDER SAMPLE NUMBER TWO</u> | | | |
| a) Date: | | | |
| b) Amount: | | | |
| c) Purpose: | | | |
| d) Contractor: | | | |
| e) Who approved the change order? | | | |
| f) Does it appear that the cost and purpose of the change order were reasonable? | | | |
| | | | |
| g) How was the change order funded? | | | |

CHANGE ORDER SAMPLE NUMBER THREE

- a) Date:
- b) Amount:
- c) Purpose:
- d) Contractor:
- e) Who approved the change order?
- f) Does it appear that the cost and purpose of the change order were reasonable?

- g) How was the change order funded?

YES

NO

NA

c. Did any of the change orders affect the CDBG project budget, scope of work or construction schedule?

Comments:

d. If yes, did the change order(s) receive prior review and approval by appropriate agency?

Comments:

J. INDIVIDUAL REHABILITATION FILE REVIEW (IF APPLICABLE)

1. Name of property owner:

2. Address of property rehabilitated:

3. Address of owner, if different:

4. Date of application for assistance:

5. Type of housing unit assisted:

Owner-occupied [] Tenant-occupied []

Single family unit [] Mobile home [] Multiple family units [] (#): ____

6. Household Characteristics: (See CDBG Manual Exhibit 5-E and Chapter 5 of the DCBG Manual. The new HUD/OMB data collection requirements that were announced December, 2002 were incorporated into CDBG Manual's Exhibit 5-E, Direct Benefits Data, and also into this CDBG Project Monitoring Guide.)

a. **Family size:** _____

b. **Ethnicity:** (select only one)

☐ Hispanic or Latino

☐ Not Hispanic or Latino

c. **Race:** (select one or more)

1. White

2. Black or African American

3. Asian

4. American Indian or Alaskan Native

5. Native Hawaiian or Other Pacific Islander

6. American Indian or Alaskan Native *and* White

7. Asian *and* White

8. Black or African American *and* White

9. American Indian or Alaskan Native *and* Black or African American

10. Other Multi-racial (balance of individuals reporting more than one race)

d. **Other:**

☐ Female head of household

☐ Elderly (over 62)

☐ Handicapped (nature of handicap): _____

7. Income Data

a. Gross annual income of household: \$ _____

| YES | NO | NA | |
|-----|----|----|---|
| | | | b. Does this meet LMI eligibility requirements? Comments: |
| | | | c. Describe how the income was verified: Comments: |
| | | | d. <u>Eligibility of the housing unit</u> Comments: |
| | | | 1. Located within project area? Comments: |
| | | | 2. Property ownership verified? Comments: |
| YES | NO | NA | 3. Value of property: \$ _____ |

| | | | |
|--|--|--|--|
| | | | Comments: |
| | | | 4. Credit check conducted? Comments: |
| | | | 5. Title search conducted? Comments: |
| | | | 6. Confirmation of taxes paid and current? Comments: |
| | | | 8. Property Work Write-Up and Bidding |
| | | | a. Determined to be substandard, suitable for rehab? Comments: |
| | | | b. Work write-up prepared? Date: _____ Comments: |
| | | | c. Cost estimate included? Amount: \$ _____ Comments: |
| | | | d. Is this a self-help rehab? _____ Comments: |
| | | | e. If not, number of bids received: _____ Comments: |
| | | | f. Was a "walk through" provided for contractors? Date: _____ Comments: |
| | | | g. <u>List of Bidders:</u> _____ <u>\$ Amount Bid:</u> _____ Comments: |
| | | | h. Contract award date(s): _____ Comments: |
| | | | i. Name of Contractor(s) selected: _____ Comments: |

| | | | |
|-----|----|----|---|
| YES | NO | NA | j. Were the lowest responsible bids awarded? Comments: |
| | | | 10. Securing the Grant or Loan |
| | | | a. Type of assistance: ...Grant [] ...Low-interest Loan [] ...Deferred Loan [] ...Other [] <u>Describe:</u> Comments: |
| | | | b. Parties to the housing rehab contract: Owner [] Contractor [] Grantee as Third Party [] Comments: |
| | | | c. When was the property lien filed? _____ Comments: |
| | | | 11. Rehabilitation Contractor(s) selected for this rehabilitation work on this housing unit |
| | | | a. Name(s) of contractor(s) Comments: |
| | | | b. Did Grantee verify the eligibility of contractor (i.e., that the contractor was <u>not debarred</u>) with DOC? Comments: |
| | | | c. Did Grantee verify that the contractor was <u>registered</u> ? Comments: |
| | | | d. Does contractor have: 1. liability insurance? Comments: |
| | | | 2. property damage insurance? Comments: |
| | | | 3. Worker's Comp. insurance? Comments: |
| YES | NO | NA | e. Does the contract list specific work or include write-up? Comments: |

| | | | |
|--|--|--|--|
| | | | f. Were all costs reasonable? Comments: |
| | | | g. Are all required CDBG contract clauses included? Comments: |
| | | | h. Compliance with Title VII, Civil Rights Act of 1964? Comments: |
| | | | i. Section 109 compliance? Comments: |
| | | | j. Lead-based paint prevention/remediation – lead- safe work practices followed (all CDBG housing contracts)? New HUD LBP rules followed (all CDBG housing contracts starting with 2002 contracts)? Comments: |
| | | | k. Termination? Comments: |
| | | | l. 1 year guarantee on work? Comments: |
| | | | m. Equal Employment Opportunity (Exec.Order 11246 for over \$10,000)? Comments: |
| | | | n. Are required property standards followed in the contract based on work-write up): Comments: |
| | | | o. Section 8? Comments: |
| | | | p. National Electrical Code? Comments: |
| | | | s. Uniform Building Code -- for 5 or more units? Comments: |
| | | | t. DOC mobile home standards? Comments: |

| YES | NO | NA | |
|-----|----|----|---|
| | | | 12. <u>Permits</u> a. Are required permits on file? 1. State electrical permit? (NA if Grantee certified) Comments: |
| | | | 2. State plumbing permit? (NA if Grantee certified) Comments: |
| | | | 3. State mechanical permit? (NA if Grantee certified) Comments: |
| | | | b. Name of electrician: _____ Is electrician licensed? Comments: |
| | | | c. Name of plumber: _____ Is plumber licensed? Comments: |
| | | | 13. <u>Change Orders</u> a. Were any change orders issued? Comments: |
| | | | b. If change orders were issued, select a sample and describe each: |
| | | | <u>Change Order -- Sample Number 1:</u> Amount: Purpose: Does it appear cost and purpose of the change order are reasonable? (Attach further explanation in notes if necessary.) Comments: |
| | | | <u>Change Order -- Sample Number 2:</u> Amount: Purpose: Does it appear cost and purpose of the change order are reasonable? (Attach further explanation in notes if necessary.) Comments: |

| | | | |
|---|---------------------------|---|---|
| 14. Inspections/Disbursements | | | |
| a. Are inspections made prior to disbursements? | | | |
| | Local inspection dates | Electrical/plumbing inspection dates | Disbursements Amounts Dates |
| b. Initial | _____ | _____ | _____ |
| c. Interim | _____ | _____ | _____ |
| d. Final | _____ | _____ | _____ |
| Comments: | | | |
| | | | e. Were all lien waivers obtained? Comments: |
| | | | f. Does the Grantee do a follow-up contact with homeowner and/or tenant(s) after completion of work to determine the homeowner's satisfaction with the work? Comments: |
| 15. Affordability | | | |
| | | | a. For owner-occupied, single family units , how was the affordability of the rehab assistance determined? Comments: |
| | | | b. For tenant-occupied single family housing : -- 1. describe the contract clause for assuring initial LMI occupancy: -- 2. will rent be increased after rehab? |
| | | | c. For multiple family rehab : -- proposed monthly rents: _____ -- total # units: _____. # occupied by LMI households: _____ -- local definition of "affordable rent"? _____ _____ _____ |

| | | | |
|------------|-----------|-----------|--|
| | | | d. Describe the contract clause for requiring affordable rents . |
| | | | e. Who will be responsible for monitoring for compliance with the "affordable rents" contract clause over the long-term? |
| | | | f. How will this be assured? |
| | | | g. Describe the contract clause for assuring initial occupancy by LMI residents : |
| | | | h. Describe any special terms of loan |
| | | | 16. Financial Management a. Date rehab contract was signed: _____ Amount: \$ _____ b. Date that any escrow funds were drawn from DOC: Amount \$ _____ c. Was an escrow account established (CDBG funds drawn) after the rehab contract was signed? Comments: |
| YES | NO | NA | d. Was the rehab work completed and accepted within 180 days of the signing of the rehab contract? Comments: |
| | | | e. If the escrow account is interest bearing, is the interest, less any service charges, remitted to HUD? Comments: |
| | | | f. If a loan, who is responsible for periodically reviewing the file to ensure compliance with the loan agreement? Comments: |
| | | | g. Has a monthly amortization table been established? Comments: |

| YES | NO | NA | h. Has the contract been reviewed or scheduled for review at a later date to determine whether the recipient of a loan is current with the repayment schedule? Comments: |
|-----|----|----|--|
| | | | i. Is the recipient current with the repayment schedule? Comments: |
| | | | j. If not, how will the delinquency be resolved? |
| | | | 17. DOC/CDBG Inspection of Property |
| | | | a. Does rehab work conform to contract, including change orders? Comments: |
| | | | b. Do costs and work items appear reasonable and eligible? Comments: |
| | | | c. Is construction quality acceptable? Comments: |
| | | | d. Is beneficiary satisfied? Comments: |

| K. ECONOMIC DEVELOPMENT ADMINISTRATION | | | |
|--|----|----|---|
| YES | NO | NA | |
| | | | 1. Does the Grantee have a system in place to periodically review the assistance agreement(s) between the local government and the assisted entity to ensure compliance with conditions contained in the agreement? Comments: |
| | | | 2. Is the system being used effectively? Comments: |
| | | | 3. Were changes to the assistance agreement between the local government and the assisted entity authorized by DOC? (Compare the agreement approved by DOC with the one in the Grantee files.) Comments: |

| YES | NO | NA | |
|-----|----|----|---|
| | | | 4. Has an account been established to record loan repayments? Comments: |
| | | | 5. When is the first payment due? _____ |
| | | | 6. Have there been any delinquent payments? Comments: |
| | | | 7. Is the Grantee maintaining records to document that the entity(ies) being assisted is substantially achieving the hiring goal for retention or creation of full-time equivalent jobs for low and moderate income persons that was proposed in the Grantee's final hiring and training plan approved by DOC? (Documentation must include the number and description of the jobs created or retained and income data for the persons filling those positions.) Comments: |
| | | | 8. Did the Grantee establish hiring guidelines that contain the following elements: a. Current section 8 income guidelines? Comments: |
| | | | b. Recipient eligibility verification? Comments: |
| | | | c. Job application procedures? Comments: |
| | | | 9. What other sources and amounts of financing are involved in the project? Comments: |
| | | | 10. Are CDBG funds being matched by the sources and the amounts proposed in the applications? Comments: |

| YES | NO | NA | <p>11. Are Davis-Bacon wage rates involved in the project?</p> <p>Describe the project components that involve Davis-Bacon wage rates:</p> <p>If the Grantee is constructing public facilities in support of the economic development project with publicly contracted labor, complete the Public Facility Administration and Construction Contract Review sections (J and G).</p> <p>Complete the Labor Standards Compliance Section under Public Facilities if Davis-Bacon is involved in private contracts for the project.</p> <p>Comments:</p> |
|-----|----|----|---|
| | | | <p>12. On-site visit of assisted entity:</p> <p>a. Does the project and project area appear to be the same as proposed in the application?</p> <p>Comments:</p> |
| | | | <p>b. Does the visible progress match that represented in the progress report submitted with the most recent drawdown? (For example: construction, equipment installation, relocation, rehabilitation, etc.)</p> <p>Comments:</p> |
| | | | <p>c. Are major items purchased with CDBG funds available for visible inspection?</p> <p>Comments:</p> |
| | | | <p>List major items checked:</p> <p>Do they appear to be the same as proposed?</p> <p>Comments:</p> |

| | | | |
|-----|----|----|---|
| YES | NO | NA | <p>d. Does the business appear to be active and conducting business as would be expected? (For example: are shipments coming or going, are workers on-site, inventory stockpiled, etc.)</p> <p>Comments:</p> |
| | | | <p>e. Does the inventory on-site compare in quantity, quality, age, etc. to that described in the business plan?</p> <p>Comments:</p> |
| | | | <p>f. Has the Grantee been monitoring the project effectively? (For example, is there evidence on file that on-site visits have been conducted or review of hiring and financial reports has occurred.)</p> <p>Comments:</p> |

L. Project Closeout and Audit Review

1. PROJECT CLOSEOUT (See Chapter 13, CDBG Manual)

| YES | NO | NA | |
|-----|----|----|--|
| | | | <p>1) Has the project been monitored?</p> <p>► Check the monitoring letter for any unresolved issues such as findings or compliance issues. (They should be resolved before proceeding.)</p> <p>Date Monitored:</p> |
| | | | <p>2) Is there any pending litigation or disputes involving this project?</p> <p>► If there is a lawsuit or ongoing dispute involving the Grantee, contractor(s) or professional(s) in conjunction with this project, a project closeout cannot be completed -- check with the CDBG Program Manager before proceeding any further with closeout work.</p> |
| | | | <p>3) Grant recipients must follow the directions in Chapter 13, <u>Project Closeout</u>, for the project completion report instructions.</p> <p>Date DOC Received Project Closeout Report:</p> |
| YES | NO | NA | <p>4) Are the following forms and required narrative completed:</p> <p>a) ■ Exhibit 13-A, Step 5</p> <p>► Narrative responses and/or documentation given to address each sub-</p> |

| | | |
|-----|----|---|
| | | <p>point under Step 5 as applicable, including:</p> <ul style="list-style-type: none"> ▶ Program Income Plan; ▶ Any labor standards compliance actions; ▶ Inventory of property costing \$5,000 or more acquired with CDBG funds; ▶ Copy of engineer or architect's substantial or final completion report; ▶ Narrative describing relationship of project to CDBG objectives; ▶ Narrative of citizen comments regarding the project and actions to address them; ▶ Any comments or suggestions on CDBG policies and procedures. |
| | | <p>b) ■ EXHIBIT 13-B Final Performance Report</p> <ul style="list-style-type: none"> ▶ Check Proposed Accomplishments against Actual Accomplishments & Compare this to Scope of Work in Grantee's Application. |
| | | <p>c) ■ EXHIBIT 13-C.1 Certification of Completion, Final Status of Funds Report</p> <ul style="list-style-type: none"> ▶ This should reflect the Grantee's last expenditures. ▶ Call Management Services to check account balance. ▶ Check grant amounts expended to balance remaining against the last drawdown. ▶ Compare balance to the most current contract budget. |
| | | <p>d) ■ EXHIBIT 13-C.2 Conditional Closeout Certification and</p> |
| | | <p>e) ■ EXHIBIT 13-C.3 Final Closeout Certification</p> <ul style="list-style-type: none"> ▶ Make sure these have been signed by the Chief Elected Official. |
| | | <p>f) ■ EXHIBIT 13-E Contract Reporting Form</p> <ul style="list-style-type: none"> ▶ Make sure contractors and subcontractors are listed. |
| | | <p>g) ■ EXHIBIT 13-F Indirect Benefits Reporting Form</p> <ul style="list-style-type: none"> ▶ Check this against Benefit to LMI information in original application. |
| YES | NO | <p>h) EXHIBIT 13-G Calculation of Funds Benefiting LMI</p> <ul style="list-style-type: none"> ▶ Check this against Benefit to LMI Table in the original application. The amount in the closeout report should be the same as or greater than what was proposed in the application. ▶ Check occupancy requirements if project was for new housing. |
| | | <p>5) <u>Are there any issues of concern with the above requirements?</u></p> |
| | | <p>6) Are there are any remaining unexpended funds at the time of final closeout?</p> |

| | | | |
|--|--|--|--|
| | | | ▶ If "yes", what is the amount to be reallocated? AMOUNT REALLOCATED: |
| | | | 7) Amount to be reserved for audit? ▶ This amount will usually be requested with the Grantee's final draw. AMOUNT FOR AUDIT: |
| | | | 8) Are there any funds not authorized for expenditure that need to be recaptured? AMOUNT NEEDED TO BE RECAPTURED: |

2. AUDIT REVIEW (See Chapter 14, CDBG Manual)

If there is no copy of the audit in the project file, obtain one from MDOC Local Government Services Bureau (Phone: 841-2907).

| | | | 1) List the state fiscal years in which CDBG funds have been expended and the total amount drawn down by the Grantee for each fiscal year, according to MDOC records: <table border="1" data-bbox="511 976 1079 1375"> <thead> <tr> <th><u>Fiscal Year</u></th><th><u>Amount</u></th></tr> </thead> <tbody> <tr><td></td><td></td></tr> <tr><td></td><td></td></tr> <tr><td></td><td></td></tr> <tr><td></td><td></td></tr> <tr><td></td><td></td></tr> <tr><td></td><td></td></tr> <tr> <td>TOTAL:</td><td></td></tr> </tbody> </table> | <u>Fiscal Year</u> | <u>Amount</u> | | | | | | | | | | | | | TOTAL: | |
|--------------------|---------------|--|--|--------------------|---------------|--|--|--|--|--|--|--|--|--|--|--|--|---------------|--|
| <u>Fiscal Year</u> | <u>Amount</u> | | | | | | | | | | | | | | | | | | |
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| TOTAL: | | | | | | | | | | | | | | | | | | | |

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|---|--------------------|--------------------------------|--|--|--------------------|--------------------------------|----|--|--|----|--|--|----|--|--|
| YES | NO | NA | 2) Has an audit been performed for the project (or is one scheduled)? | | | | | | | | | | | | |
| | | | List the fiscal years covered or to be covered by an audit: <table border="1"> <tr> <td></td> <td>Audit Date:</td> <td>Fiscal Year(s) Covered:</td> </tr> <tr> <td>1.</td> <td></td> <td></td> </tr> <tr> <td>2.</td> <td></td> <td></td> </tr> <tr> <td>3.</td> <td></td> <td></td> </tr> </table> | | Audit Date: | Fiscal Year(s) Covered: | 1. | | | 2. | | | 3. | | |
| | Audit Date: | Fiscal Year(s) Covered: | | | | | | | | | | | | | |
| 1. | | | | | | | | | | | | | | | |
| 2. | | | | | | | | | | | | | | | |
| 3. | | | | | | | | | | | | | | | |
| | | | 3) At the time of closeout, have all funds been audited, and has the CDBG Program Specialist reviewed all audits for this project? | | | | | | | | | | | | |
| | | | 4) Based on audit information, if the project still requires an audit, then prepare a <i>conditional closeout</i> until a final audit on all expended CDBG funds has been received. | | | | | | | | | | | | |
| | | | Projected Date of Final Audit: | | | | | | | | | | | | |
| | | | 5) Are there any unresolved findings or noncompliance issues with applicable laws and regulations remaining from the last audit completed for this project? | | | | | | | | | | | | |
| | | | 6) Are there any issues of concern concerning the project's audits? | | | | | | | | | | | | |
| <p>* For Findings, check (1) Auditor's Schedule of Federal Financial Assistance and (2) Report on Compliance with Laws & Regulations related to federal financial assistance problems.</p> <p>* NOTE: Ignore any references to drug free workplace -- this is not a HUD requirement.</p> <p>* If the Grantee receives less than \$25,000 of combined federal financial assistance in a fiscal year during the term of the project, the CDBG funds do not have to be audited according to A-128.</p> | | | | | | | | | | | | | | | |

| 3. Program Income | | | |
|--------------------------|-----------|-----------|--|
| YES | NO | NA | |
| | | | 1) Will program income be received after closeout? If "yes," the Grantee should has to adopt a program income plan and set up acceptable procedures for the accounting and administration of the program income before the project can be closed out by MDOC. Be sure program income plan has been approved by MDOC. |
| | | | 2) Are there any unexpended program income funds remaining at closeout? If "yes," inform the Grantee in the closeout letter about Title 1 requirements applicable to unexpended program income received before and after closeout. |
| | | | 3) Does the Grantee have any other open CDBG projects? If "yes," program income should be used from this project for the other open project, unless there is a dedicated RLF. |

**PROGRAM INCOME PLAN/REVOLVING LOAN FUND CHECKLIST
FOR PROJECT CLOSEOUT**

The Department of Commerce's decision to permit the retaining of Program Income or the development of an RLF will be determined on the adequacy of the proposed program income plan (P.I.P.) For the use and administration of The program. See pages 2-8 of DOC's Program Income/RLF Manual and Chapter 4 of the CDBG Grant Administration Manual for P.I.P. requirements. The following elements should be included or addressed in the Program Income Plan

| 1. FOR CDBG PROJECTS FUNDED 1992 AND PRIOR, AFTER PROJECT CLOSEOUT | | | |
|---|-----------|-----------|--|
| YES | NO | NA | |
| | | | a. Provisions of Title I will not apply, but a minimum of 51% of the funds must be used for activities that benefit low and moderate income (LMI) persons. Program income must be used for CDBG eligible activities. |
| 2. FOR CDBG PROJECTS FUNDED 1993 AND LATER, AFTER PROJECT CLOSEOUT | | | |
| | | | a. Maximum 18% for administration and 82% for activity per year |
| | | | b. 70% of the activity expenditure in any year would have to benefit 51% LMI. The remaining 30% could be used for any CDBG eligible activity. |

| | | | |
|---|----|----|---|
| YES | NO | NA | c. For any project funded with program income or RLF money, Title I regulations apply. If less than \$25,000 of program income is received in any year, these funds are exempt from Title I requirements. However, the funds must benefit 51% LMI and be eligible for funding under the CDBG program. |
| 3. FOR ALL PROJECTS (FUNDED BEFORE AND AFTER 1992) | | | |
| YES | NO | NA | a. Eligible activities as listed under Title I of the Housing and Community Development Act as amended. See the appendix of the Program Income/RLF Manual, or Section 105(a) of Title I of the Housing and Community Development Act of 1974, as amended through October 28, 1992. |
| | | | b. Description of activities to be funded by program income. |
| | | | c. Eligible types of loans. |
| | | | d. Loan financing policies: minimum and maximum dollar amounts, terms, rates of interest, policies for restructuring loans. |
| | | | e. Description of the goals and objectives of the plan. |
| | | | f. Description of eligible applicants for the funds. |
| | | | g. Loan review committee. |
| | | | h. How projects are to be evaluated/Project Selection and Approval Process. Establish criteria and procedures for reviewing and approving loans, including how needs are justified and prioritized, who the beneficiaries are, etc., the type of credit and financial analysis for evaluation. |
| | | | i. How loans will be secured and serviced. |
| | | | j. Description of the accounting and reporting procedures for the funds. |
| | | | k. Evidence that the governing body has approved the Program Income Plan (P.I.P). |

CDBG's Program Income Plan approval language:

We have approved the Program Income Plan which allows the local government to retain program income. All program income received after closeout of a CDBG project must be distributed to an appropriate revolving loan fund or program income account. Because the DOC has ultimate responsibility for the program income retained and used at the local level, it is required to ensure that such program income is used in a manner consistent with CDBG requirements. The DOC has instituted a Grantee reporting process. This will require that the Grantee prepare a special report for RLF and individual loan funds. These reports must be filed with the DOC twice a year, at the end of each December and June. The first report is due no later than January 31 and the second no later than July 30. If you have a system in place please send that. Otherwise, see DOC's Program Income/RLF Manual, use the form enclosed, or call the CDBG program for guidance.

Project activities funded from program income generated from projects funded after 1992, will be subject to Title I regulations under the Housing and Community Development Act as amended. Title I regulations will not apply where less than \$25,000 of program income is retained in any year.

NOTE: Unless program income is dedicated to an ED RLF, all program income received prior to a CDBG project closeout must be distributed back to the corresponding open project fund. Such program income must be added to the funds committed to the project and used for these activities before a Grantee can request an additional drawdown of funds from its project account. The program income will be accounted for and reported on as part of the financial transactions of the CDBG project.

| 4. CDBG's Closeout Letter | | | |
|---------------------------|----|--|--|
| YES | NO | | |
| | | | 1) Prepare a closeout letter. The closeout letter will either be a conditional or final closeout. |
| | | | a) Conditional Closeout Letter <ul style="list-style-type: none"> ▶ All required CDBG closeout forms and narrative completed ▶ Certificate of completion from engineer or architect ▶ Reference the date of monitoring in the closeout letter ▶ Final audit scheduled |
| | | | b) Final Closeout Letter <ul style="list-style-type: none"> ▶ The project can be finally closed-out if all expended CDBG funds have been audited and the project has been monitored. ▶ Final status of funds report and ▶ Include a statement that all CDBG-related records must be retained for three years after final project closeout. |
| YES | NO | | 2) Are there any concerns regarding completing a conditional or final closeout for this project? |
| 5. Closeout Follow-up | | | |
| YES | NO | | |
| | | | 1) Update DOC's in-house records: <ul style="list-style-type: none"> a. Project closeout tracking sheet (WORD) b. Project draws tracking sheet (Excel) c. Program Specialist's project tracking sheet (WORD) d. Consolidated project tracking sheet (WORD) |
| | | | 2) Notify DOC's Management Services Division that the project has been closed out. (Give a copy of the closeout letter sent to Grantee to Management Services.) |